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June 1, 2007

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The Honorable Charles Terreni
 Chief Clerk of the Commission
 Public Service Commission of South Carolina
 Post Office Drawer 11649
 Columbia, South Carolina 29211

Re: Docket No. 2006-37-C: Petition of the Office of Regulatory Staff for a Rule Making Proceeding to Examine the Requirements and Standards to Be Used by the Commission When Evaluating Applications for Eligible Telecommunications Carrier ("ETC") Status and When Making Annual Certification of ETC Compliance to the Federal Communications Commission

Dear Mr. Terreni:

Enclosed for filing are the original and (1) copy of BellSouth Telecommunications, Inc.'s d/b/a AT&T South Carolina ("AT&T") Comments on Proposed Regulation Regarding Designation of Eligible Telecommunications Carriers in the above-referenced matter.

By copy of this letter, I am serving all parties of record with a copy of this brief as indicated on the attached Certificate of Service.

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 Enclosure DOCKETING DEPT.
 cc: All Parties of Record
 DM #679886

Sincerely,

Patrick W. Turner

Patrick W. Turner

THIS DOCUMENT IS AN EXACT DUPLICATE OF THE E-FILED COPY SUBMITTED TO THE COMMISSION IN ACCORDANCE WITH ITS ELECTRONIC FILING INSTRUCTIONS.

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

In the Matter of)
)
Petition of the Office of Regulatory Staff)
For a Rule-Making Proceeding to)
Examine the Requirements and Standards)
To be Used by the Commission When)
Evaluating Applications for Eligible)
Telecommunications Carrier (ETC))
Status and When Making Annual)
Certification of ETC Compliance to the)
Federal Communications Commission)

Docket No. 2006-37-C

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**AT&T SOUTH CAROLINA'S COMMENTS ON
PROPOSED REGULATION REGARDING DESIGNATION
OF ELIGIBLE TELECOMMUNICATIONS CARRIERS**

AT&T South Carolina ("AT&T") respectfully submits its Comments on the proposed regulation regarding Designation of Eligible Telecommunications Carriers that the Public Service Commission of South Carolina ("Commission") issued on March 26, 2007.

I. PROCEDURAL BACKGROUND

On January 9, 2006, the Office of Regulatory Staff ("ORS") filed a Petition to request that the Commission initiate a rulemaking to develop a set of eligibility standards for Eligible Telecommunication Carrier ("ETC") designation and to determine whether the Commission should allow multiple ETCs.¹ On January 31, 2006, the Commission entered an Order granting

¹ See Motion to Hold Petition in Abeyance, *In Re: Petition of Budget Phone, Inc. for Designation as an Eligible Telecommunications Carrier*, Docket No. 2005-219-C (January 9, 2006).

the ORS's Petition.² After receiving initial comments from interested parties, the Commission issued a Directive on February 7, 2007 that instructed the Commission's Staff to publish proposed ETC Guidelines on the Commission's Docket Management System and to allow interested persons until February 21, 2007 to comment in writing on the proposed Guidelines. AT&T filed Comments at that time, as did a number of other parties.

On March 26, 2007, the Commission issued its proposed regulation regarding the Designation of Eligible Telecommunications Carriers and provided that parties may file Comments on the proposed rules no later than June 1, 2007. The Commission also scheduled a public hearing on the proposed rules to take place on June 26, 2007.

II. AT&T'S COMMENTS

The proposed regulation modifies the earlier guidelines in a significant respect: it includes a provision that wireless carriers shall use cell sites for planning purposes rather than wire centers. AT&T believes that using wire centers to develop the required build out/improvement plan is the better alternative for all carriers, both wireline and wireless.

Section C.(a)(1)(B) of the proposed guidelines included the requirement that a carrier seeking ETC status submit a two-year plan that describes with specificity "proposed improvements or upgrades to the applicant's network on a wire center-by-wire center basis throughout its proposed designated service area."³ The proposed regulation, however, provides that wireless carriers shall submit the required two-year plan on a cell site-by-cell site basis. AT&T suggests that the better alternative is to return to the approach of the original guidelines

² Order Establishing Rulemaking and Holding Budget Phone Petition in Abeyance, *In Re: Petition of Budget Phone, Inc. for Designation as an Eligible Telecommunications Carrier*, Order No. 2006-71 in Docket No. 2005-219-C (January 13, 2006).

³ Proposed Guidelines For Designating Eligible Telecommunications Carriers and Requirements for Existing Eligible Telecommunications Carriers, C.(a)(1)(B).

and require that all carriers, both wireline and wireless, submit plans on a wire center-by-wire center basis. The submission of plans by wire center would conform to the guidelines of the Federal Communications Commission (“FCC”)⁴, and it would be far more workable than the use of cell sites.

Section 214(e)(1) of the Telecommunications Act requires that ETCs provide service “throughout the service area for which the designation is received.”⁵ In keeping with this statutory requirement, the FCC has included in its guidelines a requirement that a carrier seeking ETC status provide a plan for building out its service area. The FCC has also utilized analysis at the wire center level to ensure that each carrier’s plan will result in build out and/or upgrades throughout its service area. In this regard, the FCC stated in the *Universal Service Order* the following:

To demonstrate that supported improvements in service will be made throughout the service area, applicants should provide . . . information for each *wire center* in each service area for which they expect to receive universal service support, or an explanation of why service improvements in a particular *wire center* are not needed and how funding will otherwise be used to further the provision of supported services in that area.⁶

Wire centers are established geographic delineations that provide clear lines on a map that can be used to scrutinize a carrier’s use of high cost support. By looking at each wire center within the carrier’s study area, it is relatively simple to discern how much of the total service area has been built out and/or improved. In contrast, cell sites do not correlate with the existing telecommunications infrastructure, i.e., with the specific wire centers that, taken together, compose the service areas of traditional wirelines carriers. For this reason, a plan by a wireless carrier that describes build out or improvements for each cell site would provide much less

⁴ See Report and Order, *In the Matter of Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, 20 FCC Rcd 6371 (March 17, 2005) (“Universal Service Order”), Par. 69.

⁵ 47 U.S.C. 214(e)(1).

⁶ *Universal Service Order*, ¶ 23. (*Italics added*)

useful information than a plan that maps service provision by wireless carriers to existing wire centers.⁷ Further, the delinking of the wireless carrier's build out (or quality improvement) plan from wire centers would make it very difficult to compare the wireless carrier's provision of service to the geographic locations upon which high cost support is based.

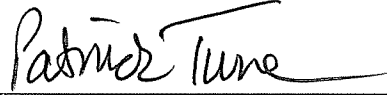
Finally, the proposed regulation continues to provide (in Section C(b)) that this Commission will perform an analysis of potential creamskimming by "comparing the population density of each *wire center* in which the eligible telecommunications carrier applicant seeks designation against that of the *wire centers* in the study area in which the eligible telecommunications carrier applicant does not seek designation." (Italics added). If wireless carriers submit plans that utilize cell sites rather than wire centers as the basic planning unit then, for these carriers, the Commission will clearly lack the information that it needs to conduct the above-described creamskimming analysis.

⁷ Typically, an ETC applicant designates its service area by identifying the wire centers it plans to serve. Given this, a wireless carrier would necessarily have to map its cell sites to wire centers in order to complete an application. Thus, it should be relatively straightforward for a wireless carrier to map its build out or improvement plans to wire centers as well.

III. CONCLUSION

AT&T respectfully requests that the Commission modify the proposed ETC regulations to provide that all carriers shall submit a two-year plan on a wire center-by-wire center basis.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Patrick W. Turner", written over a horizontal line.

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STATE OF SOUTH CAROLINA)
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COUNTY OF RICHLAND) CERTIFICATE OF SERVICE

The undersigned, Jeanette B. Mattison, hereby certifies that she is employed by the Legal Department for AT&T South Carolina (“AT&T”) and that she has caused AT&T South Carolina’s Comments on Proposed Regulation Regarding Designation of Eligible Telecommunications Carriers in Docket No. 2006-37-C to be served upon the following this June 1, 2007:

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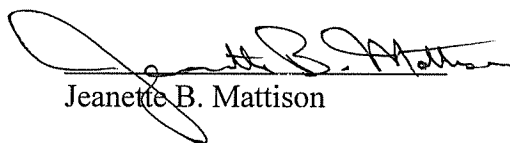
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